

## Written evidence submitted by Cross Border Workers Coalition, relating to the Investment in Northern Ireland inquiry (INI0022)

### The case for legislative change on remote working tax rules for Cross Border Workers resident in the Republic of Ireland working in Northern Ireland

#### Issue Background

- The Cross Border Workers Coalition is an alliance of individual employees who live in the Republic of Ireland but work in Northern Ireland.
- Under current legislation, cross-border workers, who live in the Republic of Ireland but work in Northern Ireland, can face a **'double tax'**, from both HMRC and Irish Revenue, if they work-from-home.
- This requirement, specified under the terms of ROI's **Trans Border Workers Relief**, can disrupt the lives of thousands of everyday cross-border workers, particularly those in the often-under-invested border regions.

#### Impact on employees

- In the UK, an NI resident employee who works for an ROI-based company can work-from-home for **up to 60 days** without incurring an additional tax liability. In ROI, however, an ROI resident employee working for an NI-based company faces a 'double tax' if they perform **any work-related activities** remotely.
- To qualify for Trans Border Workers Relief, all duties of employment must be exercised *"wholly outside the State"*. For thousands of employees, this means that all work must be performed in Northern Ireland, with **no flexibility** to even take a phone call or send an email from home.
- The Irish Government has temporarily waived this requirement since **March 2020**. This is set to end this year with no alternative support in place, with workers fearful of a return to pre-pandemic inflexibility.

#### Impact on NI employers, wider economy, and investment

- This issue is **majorly concerning** for several NI employers and left unchanged, could deter FDI into the region and/or see companies leave NI. The rigidity of the tax rules curtails wealth creation, jobs, and social mobility.
- Companies may have to restrict their **hiring capabilities** to one side of the border as they are unable to offer ROI-based employees modern working practises. Job advertisements have already begun to say, "Remote Work (For UK Residents Only)", with tax rules significantly restricting the talent pool available.
- **Greater fluidity** in where workers carry out their employment activity will increase productivity, promote economic development in disadvantaged border areas, and attract more companies to set up in Northern Ireland.

#### Our Ask

- The Coalition have **raised this issue** with representatives from across the Oireachtas, Stormont, and Westminster, presenting our pragmatic reforms to current problems.
- An exploration of the **income tax relationship** between the UK and Ireland is required to address this issue. Current rules fail to reflect the modern, hybrid working practises now operated across these islands.
- The Coalition ask that Westminster works alongside the **Irish Government** to consider the potential avenues for legislative change that can benefit businesses and employees in Northern Ireland.

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